

HAZARDOUS DISCHARGE SITE REMEDIATION FUND GENERAL DESCRIPTION

The Hazardous Discharge Site Remediation Fund was created in 1993 and is administered by the New Jersey Department of Environmental Protection and the New Jersey Economic Development Authority. The funds are provided through appropriations from the New Jersey Legislature and repayment of principal and interest on loans. Grants and low interest loans are available to businesses, municipalities and homeowners for various remedial activities.

Municipalities may apply for grants and loans up to \$2 million per year for investigation and cleanup activities from the Hazardous Discharge Site Remediation Fund. The New Jersey Economic Development Authority plays a key role in financing these grants and loans working with NJDEP to cover eligible costs and provide loan servicing. Grants are specifically provided to municipalities for a preliminary assessment (PA) and site investigation (SI) when a municipality holds the tax sale certificate, has foreclosed or voluntarily acquired a property for redevelopment. Municipalities may obtain money to proceed with the remedial investigation (RI) if they own the property.

If after conducting the PA/SI/RI a municipality wants to conduct the cleanup, low interest loans are available up to \$2 million per year. Using data from these activities, local officials can develop cost estimates of any cleanup work that may be required at a site. This improves the property's marketability and defines the environmental and financial risk of a property.

Businesses with a net worth less than \$2 million can apply for a 25% matching grant up to \$100,000 if they plan to implement an innovative technology, an unrestricted use remedy or a limited restricted use remedy. A limited restricted use remedy is a remedy that allows for institution controls (i.e. deed restriction) but not engineering controls (i.e. capping).

Innocent party grants for 50% of the remediation costs are available to business and homeowners who meet specific criteria. This particular grant is not available to municipal entities. Eligibility for this grant requires that applicants acquire the site prior to December 31, 1983 and have not used or discharged the contaminant that is subject to remediation.

Private loans are available to businesses and homeowners for a wide range of circumstances, including those in the voluntary cleanup program and those that are subject to the Industrial Site Recovery Act. These loans are available for up to \$1 million at the federal discount rate with a 5% floor. Private loans are also available to municipalities who have received grant money from the Hazardous Discharge Site Remediation Fund to conduct a PA/SI/RI to conduct the remediation. These loans are capped at \$2 million per year at a rate of 2 points below the federal discount rate.

In order to apply an applicant must complete the NJDEP's application as well as enter into a Memorandum of Agreement. Homeowners and businesses are required to submit

financial information for review by the New Jersey Economic Development Authority. Municipalities are required to submit a short financial disclosure as well. All applications are submitted to NJDEP for a technical review. If the project is eligible, the project will be forwarded to the New Jersey Economic Development Authority with a recommended level of funding. All projects must be approved by the New Jersey Economic Development Authority's Board of Directors to receive funding.